

# Technology, Trade, and Commerce

The Technology, Trade, and Commerce Agency (TTCA) promotes business development, job creation, and job retention to help California maintain a strong, globally competitive economy. The Governor's Budget proposes \$254.9 million and 320.8 personnel years for the Agency, with services to the business community provided through the Divisions of Economic Development; International Trade and Investment; Science, Technology and Innovation; Tourism; Marketing and Communications; and the California Infrastructure and Economic Development Bank.

Due to current economic conditions, the Budget includes the following General Fund reductions listed below. Even with these adjustments, the Agency's planned expenditures for 2002-03 are \$126.4 million or 98 percent higher than the amount budgeted for 1998-99. Through the proposed 2002-03 Budget, this Administration, since its inception, will have provided the Technology, Trade, and Commerce Agency \$772.4 million to promote a vibrant business economy.

Reductions that affect 2001-02 only:

- ❖ \$29.9 million reversion of the balance of the Renewable Energy Loan Guarantee Fund to the General Fund.

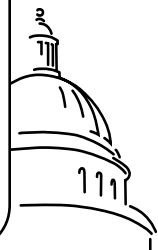
Reductions that affect 2001-02 and 2002-03:

- ❖ \$2 million from the Biomass Grants Program, leaving \$6 million to support this program.
- ❖ \$457,000 from savings in International Trade offices due to not opening the India and Philippines offices.

Reductions that begin in 2002-03

- ❖ \$600,000 from the Manufacturing Technology Program, leaving \$5.4 million, or 90 percent, of the funding for activities that stimulate the growth of California's manufacturing industry.
- ❖ \$1 million each from the Next Generation Internet Program and the Rural E-commerce Grant Program, maintaining half of the third-year funding for each program.
- ❖ \$223,000 and 1.8 personnel years (PYs) to eliminate the Major Corporate Projects Program.
- ❖ \$10 million transferred to the General Fund from the Small Business Expansion Fund (\$2 million in 2001-02 and \$8 million in 2002-03), leaving \$29.5 million to guarantee about \$131 million in loans, an increase of \$35 million over the current lending level.
- ❖ \$293,000 and 3.0 PYs to eliminate the Environmental Technology Export Program.

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- ❖ \$400,000 and 5.8 PYs from the Export Finance program. In addition, \$8 million will be transferred to the General Fund from the Export Finance Fund.
- ❖ \$1.2 million and 10.3 personnel years from administrative activities for small business development centers, contract and loan administration, and from economic research.

TTCA's budget provides \$1 million to support the consolidated space grant program authorized by Chapter 752, Statutes of 2001 (AB 1382), and retains full funding of \$6.1 million for California Technology Improvement Program and \$10 million for the Film California First Program. To better support the film industry, the Administration will propose a restructuring to improve program performance as an economic stimulus.

### **California Infrastructure and Economic Development Bank**

In 2002-03, the California Infrastructure and Economic Development Bank (Bank) expects to authorize \$150 million in economic development loans. The Bank will loan \$105 million of its remaining \$143 million in capital in 2001-02. In order to continue its lending program, the Bank will issue a bond, using repayments from the loans it has made from its original capital to pay the debt service. The Bank will use bond proceeds to make additional loans. Of the \$150 million expected to be loaned in 2002-03, \$30 million will come from the original amount provided from the General Fund plus earnings, while the other \$120 million will be from proceeds of the recapitalization bonds. Since January 1999, the Bank has provided a total of \$1.1 billion to finance (both loans and conduit revenue bonds) a variety of infrastructure and economic development projects, such as research and technology business parks, police facilities, storm drainage systems, harbor dock renovation, and construction and renovation of cultural facilities.

